

Teacher's Manual



Sponsored by:
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State of California



**A Program administered and produced by the California State Treasurer's Office
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PREFACE

GOAL

This manual was created to help teachers increase the economic literacy of their students by introducing them to the basic concepts of money management. Its intent is to create an interesting and inclusive experience where students can work with adults from the private and public sectors to learn problem solving and develop financial life skills through “hands on” learning.

FLEXIBILITY

The manual is designed to allow each teacher flexibility in implementing the lessons of the program. Rather than being “add-ons,” the lessons are meant to be filtered into the existing curriculum in an interdisciplinary fashion. Each lesson includes suggested activities which can be included as a part of the classes you already teach. In each lesson, these suggested activities are broken down into six categories: creative arts (which include art and drama) and language arts (which include reading and writing), math, social studies/history, science and computer.

FORMAT

The manual includes 12 lessons which have been developed with a 40 minute time frame in mind. The manual is designed so that each lesson builds a foundation for better understanding the concepts and skills necessary for successful money management. The lessons include written background material on each subject followed by suggested activities designed to foster active participation by the students.

Each lesson begins with a short introduction of the concepts to be covered, followed by the objectives of the lesson, and background material. Following the background material is a list of suggested activities, a glossary of important terms, a bibliography of relevant reading material and suggested homework activities. In an effort to encourage “real life” experiences we have also included a reinforcement section which begins in chapter three and runs throughout the program, placing the students in various “real life” situations (i.e. determining an income, making consumer choices, planning a budget, paying bills).

The suggested activities, designed to engage the students, emphasize “hands-on” learning. With the increased emphasis on technology in today’s society, teachers may want to utilize any computer facilities the school may have in teaching the lessons and to include the use of a calculator. We also suggest that a journal be used throughout as an organizational tool.

The manual concludes with a collaborative project designed to summarize the material covered throughout the program.

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MONEY

Lesson 1 *What is Money?*

Introduction:

The first lesson introduces students to the concept of money as a medium of exchange while also exploring the history of money.

Objectives:

- To draw students' attention away from money as a symbol of power or status and focus their attention on its basic role as a medium of exchange
- To make students more aware of their own ideas and attitudes about money

Lesson Material:

Today in the U.S. we are constantly surrounded by images and references to money;

- People talk about money on TV. (Can you name examples?)
- We read about money (stock market action, consumer confidence)
- There are even movies about money

Having money means making choices and being responsible.

We will explore why there is so much importance attached to money, and discuss ways to use our money wisely. But let's first take a quick look at how the use of money, as we know it, began.

The Story of Money:

What is money?

Money is anything that is commonly accepted by a group of people for the exchange of goods or services. The system of coins and paper currency that we use in the U.S. exists to enable people to

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obtain the goods and services they need in a convenient way. A **simple definition for money is: money is a medium of exchange.**

The uniform system of paper dollars and coins we use in America today is less than 100 years old. Today we can go to any city or state in the country and pay for whatever we may need, and our money will be recognized and accepted as easily as it is when we shop in our neighborhood. U.S. dollars are even accepted in some foreign countries, but this was not always the case. Our present system of money is a recent phenomenon. For thousands of years people didn't even use money; people used a system called **barter**.

What is barter?

Barter is the exchange of a good or service for another good or service. Sound complicated? Well, it really is not. Most people have bartered at some time. For instance, have you ever exchanged something you didn't want in your lunch for something you liked in someone else's? That's bartering.

For centuries, barter was the principal medium of exchange all over the world. Neighbors bartered with each other. People from other tribes or countries bartered too.

However, bartering became increasingly complicated. For example, say a fisherman needed a fishing net and was prepared to offer a bucket of fish as payment. He would need to find someone with a fishing net who was willing to accept fish as payment. But what if no one wanted fish? What if they would only trade for rice? Imagine how complicated it might be to obtain a lamp, some bread, and a pair of shoes if no one accepted the same item as payment. Often people would trade for things they did not want in the hope that they could later exchange it for something they did want.

What is a Commodity?

As nations developed and people began to see the need for some common medium of exchange, commodity money came into existence. A commodity is a basic item used by almost everyone. Salt, tea, tobacco, cattle, and seeds are some items that are commodities and therefore were used as money. Trade was easier then since almost everyone needed or wanted these items.

Still, there were problems. To serve as a medium of exchange an item must have a clear measurement of worth. Using commodities as money still required figuring out how much salt a table, or any other item, was worth. In addition, having to carry bags and bags of salt was very tiring, and often, many of the commodities were difficult to store or were perishable.

Coins were introduced as money around 5000 BC to 700 BC. Countries were minting their own series of coins with specific values. Metal was the material of choice because it was readily available,

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easy to work with, and could be recycled. Using coins as money was a fantastic idea. Because each coin was given a certain value, it became easier for people to compare the cost of the items they needed (in other words, "comparison shop"). Nonetheless, over time, difficulties arose. Coins were easier to carry around than salt, but if you needed to carry a fair amount of money, coins were heavy too (imagine the weight of a trunk full of coins). Over time, people looked for another form of money and discovered paper. Some of the earliest known paper money dates back to 1300 A.D.

In America, the early settlers often bartered or used commodity money. As states evolved, the use of paper money became more prevalent. After the Civil War a new monetary system was established. Since 1877 all paper money has been issued by the United States Treasury to supply a uniform currency to all the states in the land.

Suggested Activities:

Creative Arts

- Role playing - Act out a skit of a Pilgrim and a Native American using the barter system.
- Select a specific coin and demonstrate the things it can do/buy.
- Act out a current form of bartering (i.e. baseball cards, stickers).

Math

- How many pennies are in one million dollars? How many dimes, quarters, half-dollars? How many five dollar bills? How many ten, twenty, fifty, one-hundred dollar bills are in one million dollars?

Language Arts

- Have a Barter Day - exchange services among the class.
- Ongoing - Start a journal in which to keep all essays and vocabulary. Write a journal entry that describes why your village decided to change from bartering to using money.

Social Studies

- What did people do before there was money? Research what Native Americans may have used. What else was used to barter?

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Science

- Why did people switch from coins to paper as a form of currency?

Computer

- Make an eye-catching advertisement for Barter Day indicating what you have and what you would like.

Suggested Materials/Speakers:

- *From Barter, to Gold* by Solveig Paulson Russell.
- *The Story of Money* by Betsy Maestro.
- *The Kids' Money Book* by Neale S. Godfrey.
- *Nickels, Dimes, & Dollars- How Currency Works* by R.V. Fodor.
- *Once Upon a Dime Comic Book* - Federal Reserve Bank of New York - (212) 720-6134.

Glossary:

Money -	any item that is commonly accepted by a group of people for the exchange of goods and services.
Barter -	to trade goods or services for other goods or services without exchanging money.
Currency-	the various paper and coin instruments in circulation and accepted by a given group (usually a country or nation).
Service -	any work that you do for someone else.
Good -	anything that you can trade with someone else.

Suggested Homework:

- Bring in newspaper articles which discuss money issues.
- Interview family members to see what they have recently bartered.
- Read the Federal Reserve Bank comic book on the history of money.
- Bring in any foreign coins you may have.

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CONSUMPTION & SAVING

Lesson 2 *Why Do People* *Save?*

Introduction:

Lesson 1 discussed the role money plays as a medium of exchange. Lesson 2 introduces two concepts: consumption and saving. The secondary focus of this lesson is to prepare students for their upcoming bank day by presenting a rationale for saving.

Objectives:

- To introduce concepts of consumption and saving
- To encourage savings goals

Lesson Material:

As we learned in lesson 1, the purpose of money is to act as a medium of exchange. For example, with \$5: we could go to a movie, buy a book, or get something to eat. No matter where we go in the United States, our money will be accepted. This is because we have one currency for the whole country.

Today, there are plenty of opportunities to use or spend our money. There are virtually millions of products available to buy. Think about how many kinds of basketball shoes or cars there are. How many different items do you think there are in your local grocery store? The total cost of products available for purchase well exceeds our purchasing ability. With so many choices available, we need to pay attention to how we spend our money. This helps us to buy the things we really need.

Saving is the best way to make sure we will have money for the things we really want and need.

What is saving?

Saving means voluntarily putting aside money for future use. People often save a certain amount regularly with a particular goal in mind. Saving goals can be short or long term. Common short term goals may include saving for a pair of jeans or a new cassette or CD. Longer term goals may include buying a car, or saving for college.

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People also save to have money in case of an emergency. Because no one can know for sure what their future needs or wants might be (did you know last year what birthday gifts you'd like to have this year?), it's a good idea to put a portion of the money you receive in a special place.

Where do people put their savings?

Before banks were common, people often hid their money; they might have buried it in the ground, hidden it under a floor plank, or even slept on top of it. Today, most people keep their savings in a bank. Banks offer special accounts for savers called savings accounts. Saving accounts are useful for several reasons:

- They offer a safe place for people to keep their money.
- They allow people to earn "interest" on the amount they save. Interest is paid by the bank to the saver, in exchange for the bank being able to use the savers money while the money is deposited in the bank.
- Even though the bank holds your money, you can always withdraw your money whenever you need it.

How much money should you save?

Generally, the amount of money people save is based upon how much money they earn, what immediate expenses they need to pay, and why they are saving. A person who wants to buy a house will have to save more money than a person who wants to buy a computer. A good goal is to try to save 10% - 25% of your money regularly.

The most important thing about saving is to save consistently. Try to save a portion of all the money you receive. Even if you cannot always save the same amount, saving some money is better in the long run than saving none.

[Teachers: Here is a good point to explain Savings day if you have not already discussed it.]

Remember, having money means making choices. Few people are able to have everything they want instantly. Most people first need to save their money before they can acquire what they want. Could you buy a bicycle or a new jacket by yourself today?

Try setting aside a little bit each week or month. You do not have to set aside so much that you don't have any money to spend, but enough to make a difference. For instance, if you receive \$1 you might

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try to save 25 cents. Before you know it, you'll have saved enough to buy something really special for yourself or for someone you care about.

Suggested Activities:

Creative Arts

- Make a collage of things that someone you know would like. Include inexpensive things as well as expensive ones.

Math

- Figure out how much money you would save over the course of a year if you put aside a penny, a nickel, a dime, a quarter, a dollar each week. Is this more or less than you expected?

Language Arts

- Discuss whether you currently practice saving money. Did you save money to buy/make holiday gifts? Why do you think people save money?

Social Studies

- When was the first bank in the United States opened? Where was the first bank located? Where did people keep their money before banks existed?

Science

- Have a discussion on the safety of keeping money in the bank versus under your bed (i.e. fire proof).

Computers

- Create a floor plan for your idea of the perfect home.

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Reinforcement Ongoing Activities:

- Have a Realtor come in to talk about what is associated with buying or renting a house or apartment. What are the choices that have to be made (i.e. urban or suburban apartment, condominium, house)? Then, based on this discussion and in conjunction with studying the real estate section of the Sunday paper, choose a house/apartment to buy or rent.

Suggested Materials/Speakers:

- Invite the school principal or any community leader to speak on the importance of saving.
- Invite someone from the State Treasurer's Office to speak on how we save money in government. Please call the State Treasurer's Save-At-School coordinator to arrange a visit at (916) 653-2995.

Suggested Homework:

- Visit a bank with a parent or guardian. Draw or write a brief description of what you see in a bank (i.e. bank tellers, people at desks, a guard etc.). Bring in a deposit slip or brochure on a service the bank offers.
- Talk to parents and others about their saving habits.

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BANKS

Lesson 3 What Do Banks Do and How Do They Work?

Introduction:

Banks play an important role in our society. Many people think of a bank as a place people go when they need money. That's true, but as we shall see, banks perform other services as well.

Objectives:

- To introduce students to banks and some of their basic services
- To provide a frame of reference for banking day

Lesson Material:

The principle role of most banks is to attract money from customers, called depositors, in order to provide loans for people who need to borrow. Let's examine the flow of money more closely.

Most people do not like to carry around more money than they need for the next day or two. Banks offer a safe place to keep money until you're ready to use it. People who put money in a bank are called depositors.

Not all depositors have the same needs. Banks offer saving accounts for people whose primary need is to have a place to keep money they don't plan to use right away. A bank will also offer a small payment to depositors who keep their money in a savings account. This payment is called interest. Interest rates for savings accounts may vary according to the bank. It is wise to check around and compare rates before opening an account.

Why are banks considered a safe place to keep money?

Bank accounts are insured by the federal government up to \$100,000 per account. The agency responsible for insuring bank deposits is called the Federal Deposit Insurance Corporation, or the FDIC, for short. Money insured by the FDIC is covered against fire, theft, or bank failure (as during the depression). Therefore, you can be assured that if something were to happen to the bank (a fire or

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a bank robbery) every customer at the bank would have up to \$100,000 of their money replaced. If you have more than \$100,000 to deposit, it's a good idea to consider investing your money in more than one bank.

Banks must keep very strict records of their accounts. To help the bank keep track of how much money each person deposits or withdraws, depositors fill out special forms. To deposit money into your account, you must fill out a deposit slip. The deposit slip lets the bank know how much money you put in your account. The deposit slip will also have your name and account number on it. A bank will not accept a deposit without a deposit slip, so make sure you always have one filled out when you make a deposit.

To help their customers keep accurate records, banks issue receipts for every deposit or withdrawal made. The receipt is your proof that you deposited money into your account. Once a month, many banks send customers a letter or statement summarizing all transactions that have occurred during that month. The statement will list the account balance and show how much interest your money earned. It is a good idea to check your statements to make sure there are no errors.

Why do banks pay people to keep their money in the bank?

Banks need to have money, called "capital," available in order to make loans. Banks earn a profit by paying depositors less in interest than they charge borrowers to borrow. So a bank may pay depositors three cents per year for every dollar on deposit, but it charges borrowers seven cents for every dollar borrowed. The bank keeps the four cents difference to pay its expenses.

When a bank lends money, the transaction is referred to as a loan. Loans are serious obligations. Remember, banks use depositors' money to make loans. Banks try to be very careful to make sure the people they lend money to will be able to pay the bank back.

How can a bank lend money that isn't theirs?

Banks do not lend out all the money they have from depositors. They are required by law to reserve a certain amount for their depositors' needs. After all, the bank doesn't know when a customer might want to withdraw some money from their account. Banks maintain a healthy supply of cash at the bank to make sure their depositors' needs can be met.

What is a Checking Account?

Savings accounts aren't the only types of account banks offer. Many times, a person might want to keep their money in a safe place, but they may also want to be able to spend it at a moment's notice.

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Banks offer checking accounts so people can have instant access to their money without having to carry around cash or go to the bank to get it from their savings account.

Here's an example: At the grocery store, the cashier tells you that your groceries cost \$20. You pull out your check book and write a check to the store for \$20. What happens next? The store sends the check you wrote to your bank for payment. The bank will subtract \$20 from your checking account and give it to the store.

Checking accounts offer people tremendous convenience, however, it's important to remember to write a check only if you are certain you have enough money in your account. We will talk about checking accounts in more detail in a later lesson.

Suggested Activities:

Creative Arts

- Design your own check.
- Make up your own deposit slip.

Math

- Write a paragraph about how banks earn money, and show in numbers how it is done.
- Discuss how to fill out a check. Practice filling out blank checks and recording them in a mock check register. (Teachers, give children a stack of blank checks and a list of dollar amounts to write out in word form {i.e. \$123.50 = one hundred twenty-three and 50/100 dollars.})

Language Arts

- Make up character sketches of four people waiting in a bank line and draw a picture ID for each.
- Discuss who you've observed using a checking account.
- Pretend you are a bank president. Write a letter to convince people to deposit their money at your bank

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Social Studies

- Why didn't people keep their money in the bank during the "Great Depression"? How did/does this impact banking today?

Science

- How do we save money by turning off the lights when we leave the room? (Now that you have an electric bill this is very important.)
- What money-saving practices do you or can you do at home?

Computer

- Create a large "mock" check and check register to practice filling them out.
- Write an essay explaining the term "rainy day". Why is it important to have a "rainy day" fund? Make a border with a "rainy day" theme around your writing.

Reinforcement Ongoing Activities:

- Learn how to use checks and a check book register. This is how the students will pay the bills they will now start to receive every month such as: a mortgage or rent, heat, phone, electricity, healthcare, home insurance, dentist and cable. They must learn how to read a savings account book, how to endorse a check (this should all be done in pen), and how to balance a checkbook.
- They can also have chance cards to draw once a month along with their paycheck with unpredictable events such as: car accident, or a natural disaster. This will illustrate why you need to save for possible surprises.

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Suggested Materials/Speakers:

- *If You Made a Million* by David M. Swart
- *Banking* by Nancy Dunnan
- *Banks* by David A. Adler

Glossary:

Bank -	An institution which lends, receives, and keeps money.
Check -	A written request to the bank to subtract a specified amount of money from the check writer's account as payment for a received good or service.
Deposit -	The act of putting money in the bank.
Deposit Slip -	A form used by a bank to show who has made a deposit and for how much.
FDIC -	Federal Deposit Insurance Corporation. Government agency that insures bank deposits against loss up to \$100,000 per account.
Interest -	The fee a bank pays a depositor for keeping money in the bank; the fee a bank charges a borrower for borrowing money from the bank.
Savings Account -	An agreement between a bank and an individual, where the individual places his or her money with the bank in exchange for the bank's providing safe-keeping and paying the individual interest.
Withdraw -	The act of taking money out of an account.

Suggested Homework:

- Survey local banks to compare their interest rates paid on passbook savings accounts.

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MONEY

Lesson 4 *Where Does Money* *Come From?*

Introduction:

In Lesson 3, we looked at what banks do and some of the basic services they offer. Students also participated in their first savings day, with many opening savings accounts for the first time. Now we will examine where money comes from, how it is physically created and the various ways of obtaining it.

Objectives:

- To explain how money is made and circulated
- To introduce students to the concept of income

Lesson Material:

We have examined the role of money as a medium of exchange. Next we will investigate how money is physically created and the ways people obtain it.

Minting Coins/Printing Money

The U.S. Government is responsible for creating and monitoring the supply of available currency in this country. At one time, banks were permitted to issue their own paper bills. Banks were allowed to issue their own money as long as they kept a portion of the bank's savings with the government. However, banks soon began issuing currency with so many different face values that the situation became unwieldy. At one point, there were over a thousand different types of paper money in circulation.

Since 1877, all paper money has been issued by the U.S. Treasury Department. The bills are produced at the Bureau of Engraving and Printing in Washington, DC The coins we use are produced at four government mints. These mints are located in Philadelphia, Pennsylvania(P), Denver, Colorado(D), San Francisco, California(S), and West Point, New York(W). One of these initials is located on most coins, so we can tell from looking at a coin where it was minted.

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Circulation of Money

In addition to manufacturing money, the federal government is responsible for monitoring how much money is in circulation. Approximately \$333 billion is in circulation today.

As money wears out or is damaged, it is returned to the Treasury through a network of intermediaries. Most people return damaged money to a local bank, which in turn gives it to a Federal Reserve Bank. Federal Reserve Banks shred damaged or worn out money daily, to the tune of millions and millions a year. The Treasury only prints enough new money to replace the amount of money that was shredded or destroyed. The average life of a one dollar bill is eighteen months.

Sources of Income

Now that we've explored how money is physically created, let's turn our attention to the various ways people can acquire money. The amount of money that an individual, family or business receives over a specific time period is called income.

For most people, employment is the primary source of income. People get paid money for the work they do. (Remember the barter system?) As we shall see in the next lesson, the work force consists of millions of individuals using a variety of skills.

In some cases, people receive income from either the federal or state government. Government programs which distribute money to individuals are called entitlement programs. Some examples of entitlement programs include: social security, veteran benefits, unemployment compensation, and assistance to families with children (commonly known as welfare).

Suggested Activities:

Creative Arts

- Design your own coin and dollar bill.
- Design a teller area for your school to be used during banking days.

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Math

- There is \$333 billion dollars in circulation today. If everyone in the United States got \$1,000, how much would remain, if any? (There are 250 million people in the United States.)
- With Sacramento as a starting point, determine how many dollar bills it would take to reach San Francisco if they were laid out end-to-end. How many dollar bills would it take to reach your city or town (A dollar bill is just over 6 inches long.)

Language Arts

- Write a story about an old penny. When and where was it “born”? Where did it travel? With whom did it travel? What has it seen through the years?

Social Studies

- Research the issuing of the first paper money in America.
- Locate a mint mark on a coin.
- Bring in foreign coins. Identify the country of origin. Who is on each coin? Why is that person on the coin? About how much is each coin worth?

Science

- What kinds of metals have been used to make coins? What are coins made of today? For what reason are these metals selected?
- What kind of ink is used to print money? What is special about it?

Computer

- Design a time-line which represents the progression from bartering, to the earliest use of a money system, to the development of a monetary system in this country.

Suggested Materials/Speakers:

- *Catalogue of Most Popular Coins* by Reinfeld and Hobson
- *Marvels of the U.S. Mint* by Abelard-Schuman
- *The Kids' Money Book* by Neale S. Godfrey

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- *Nickels, Dimes, & Dollars - How Currency Works* by R.V. Fodor
- *Counterfeit Points* - Federal Reserve Bank of Boston, (617) 973-3459
- *Dollar Points* - Federal Reserve Bank of Boston, (617) 973-3459
- To arrange a visit at the Federal Reserve Bank in San Francisco or to arrange for a speaker to come to you call (415) 974-3314

Glossary:

Federal Reserve Bank -	The central bank of the government of the United States. Responsible for formulating and carrying out the government's monetary policies.
Income -	The sum of money received in a given time period by an individual, family, or business.
Mint -	Building where the government makes coins. The act of making a coin.

Suggested Homework:

- Draw a map that shows the route of your "traveling" penny. (See language arts).
- Write a brief description of the various sources of income.

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WORKING

Lesson 5 *The World of* *Work*

Introduction:

Lesson 4 examined income and some other ways people obtain money. We also discussed the concept of income. In this lesson, we will take a look at the different types of employment available today. We will discuss the variety of jobs available, the relationship between education and income, and how education and interests can influence the type of job one has. We will also look at a cross-section of jobs found at a bank.

Objectives:

- To introduce students to the wide range of talents and skills utilized in the workplace
- To heighten students' awareness of the relationship between education and job opportunities (as well as income)
- To illustrate how education, job type, and income are interrelated through the examination of the workings of a bank

Lesson Material:

Have you ever thought about what type of work you might like to do when you finish school? Perhaps you think it might be interesting to be a police officer, a lawyer, or a professional athlete. Every job requires certain talents and skills. Since most people spend much of their time at work, it helps to enjoy the work that you do.

Employment is the principle source of income for most people. Salaries can often reflect the value society places on a given service or skill; however, higher paying positions often attract greater interest than those that pay less.

Let's examine the various factors that can determine what a job pays. Take for example a cashier in a grocery store and a doctor. The cashier may receive \$5/hour. The doctor may receive \$50/hour. They both perform a needed service. Why does a doctor earn more?

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Education

Education plays an important role in job choice. Higher education (anything beyond the high school level) offers people the opportunity to develop certain abilities or skills. However, obtaining a college or advanced degree requires certain sacrifices. As the cost of higher education rises, more and more people work while they go to school. They may also take out loans from a bank which they will have to pay back after finishing school. The trade-off for pursuing a college or graduate degree is the ability to take advantage of greater job opportunities, often at a higher salary (as in the case of the doctor versus the cashier).

Education is not the sole factor in determining salary levels. Occupations where a particular skill is essential may command a higher salary than others with a similar education and skill requirements (for instance, computer programmers).

Sometimes, a job may pay less than other jobs with similar education or job requirements. This may happen if there are more people willing to perform the work than there are opportunities. People working in entertainment or "glamour" fields frequently encounter this phenomenon. For every Michael Jordan or Madonna, there are thousands of others working in sports or show business who may never even be able to support themselves based on the income they earn.

Types of Positions Typically Found at a Bank

Let's take a look at the variety of skills, interests, and educational backgrounds of people who work at a bank.

Tellers - Tellers are responsible for accepting customer deposits and handling a money drawer. Generally, banks prefer a college degree, but they will accept a high school diploma. Salary: \$15,000-\$20,000

Management Trainee - Management Trainees generally have college degrees and an interest in business or finance. Over the course of a training program, usually lasting one year or longer, trainees learn how the bank performs its various functions. Salaries for management trainees vary, but usually range between \$22,000-\$28,000.

Loan Officer- Loan officers are responsible for making and servicing loans to the bank's customers. Loan officers may specialize in an area of work such as business loans or home loans. Loan officers must know how to determine a loan applicant's suitability for a loan as well as be able to answer customer's questions. Loan officers also look for new customers for a bank. Typically, loan officers must have several years of prior work experience in the bank before they can become an officer. Salary: \$30,000-\$40,000 at a small bank; \$40,000-\$60,000 at a large bank.

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Attorney - Because banks must comply with a wide range of laws and regulations, they need to have someone on staff with knowledge of banking law. To become a lawyer you must attend law school after graduating from college. Salary: \$35,000-\$50,000

Public Relations Manager - The public relations manager is responsible for presenting information to the public about bank programs and activities. A public relations manager should have a strong command of language and public speaking skills. They must also be able to write clearly and understand the bank's concerns. Salary: \$25,000-\$50,000

Computer System Designer - Banks employ very sophisticated computer systems to keep track of their customers' funds. System designers work with the bank's various departments to ensure access to information necessary to serve the bank's customers. System designers usually have a degree in computer services and a strong interest in computers and mathematics. Salary: \$25,000-\$40,000

Bank President - Chief Executive Officer (CEO) of the bank. She or he is responsible for the overall management of the bank. Generally, a CEO has many years experience in the banking industry. He or she is usually college educated, and often has earned a graduate degree. Salary: \$75,000 and up

The work world offers many exciting possibilities. Within a bank alone there are many skills needed. There is a job somewhere for every interest and skill. Just remember, the better prepared you are, the more options you'll have to explore.

Suggested Activities:

Creative Arts

- Interview a student for a specific job. What skills and education are required to do the job?
- Create a collage that represents a job or profession that interests you.

Math

- If your salary were \$36,000 a year, how much money would you make in a month, a week, a day and an hour?

Language Arts

- Prepare a sample resume for your chosen profession. Plan backwards to show how you would get to that goal.
- Exchange collages of professions from above. Select one and write a job description.

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- List the many different types of jobs reflected in your family and circle of friends.
- List some high-paying professions. Why do you think they have high salaries? Does the salary make you feel interested in the work? Is salary a true measure of a job's value to society? (examples: football player, clergyman, rap singer, teacher).
- Write to some people who hold a job which interests you. Collect the responses and "publish" the collection.

Social Studies

- What jobs have been popular over the last 100 years? How and why have jobs changed over time?

Science

- What jobs are available for people today in the field of science?

Computer

- Prepare a sample resume for your chosen profession.

Reinforcement Onqoinq Activities:

- Choose a career based on research from newspaper classified sections and the *Occupational Outlook Hand-Book* (U.S. Government Bookstore (415) 512-2770). This will determine a pay check which will now be received every two weeks. It will also be used in learning to make budgets and pay monthly bills.
- Think about what education, background and skills are necessary to reach that career goal. Prepare this resume on the computer. This is an opportunity to work backwards from the final goal to learn what steps are necessary to get there.

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Suggested Materials/Speakers:

- Plan a career day where parents representing different jobs come in to speak briefly.
- Invite a speaker from your host bank to give a guest presentation.
- Invite a speaker from an employment agency to visit and talk about different jobs in the market place today.

Suggested Homework:

Learn your mother's or guardian's maiden name, your social security number, and date of birth to prepare for the next lesson where you will have the opportunity to open a savings account. This is important information for opening a savings account.

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REVIEW

Lesson 6 Review

Introduction:

This is a review session to go over the major topics covered so far.

Objective:

- To refresh and reinforce the principles already discussed.
- To begin to put principles into practice.

Suggested Activities:

- Discuss why people use money

[Teachers: talk about money as a medium of exchange].

- Discuss whether you have given any thought to what you want to do when you finish school. Talk about the importance of staying in school.

Suggested Homework:

- List reasons why people use banks.
- Ask your parents or others if they use a bank. Find out why they chose that particular institution.
- Ask your parents or others why they chose their current job. What do they think are the most important qualities of that job? (Note: it's inappropriate to ask others how much money they earn. That's usually considered confidential information).

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WORKING & SAVING

Lesson 7 *What To Do with* *Your Money*

Introduction:

All too often, we spend money as soon as we get it. Only after spending it all do we question or look at how we used our money. Money is a resource of which we all have a limited supply. In order to make the most of what we have, it's helpful to have a map or plan handy to guide us. In the following lesson, we will look at budgets.

Objectives:

- To introduce students to a basic principle of money management: budgets
- To help students become aware of how they use their money
- To give students an opportunity to prepare their own budget

Lesson Material:

What is a budget?

A budget is a money map which shows us how much money we have available to spend and how we should spend it. Budgets are used by adults, businesses and governments alike. Even kids make budgets. A budget makes it easy for us to see ahead of time what expenses we will have so that we can be prepared. Budgets make it easy for people to see clearly how they are spending their money.

How do you make a budget?

The first step is to write down daily how you spent your money. If you bought something for lunch, how much did it cost? Did you buy a comic book or loan some money to a friend? By keeping a daily record of how we spend our money, we will be able to see over a week's time where our money goes. Once we know where we are spending our money, we can decide in what areas we might be able to spend less and therefore save money for other purposes. Now we are ready to make a budget.

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In making a budget we look at three things:

- (1) How much money we have
- (2) What expenses we must meet
- (3) What things we would like to buy

Budgets highlight those expenditures which must be made, as compared to those which we would like to make. Another way to say this is: budgets illustrate needs and wants. A need is something we must have to survive. Food, shelter and clothing are three primary examples of needs.

Vacations, bicycles and video games are wants. Wants are things we would like to have which would make our daily lives more enjoyable, but are not necessary for our survival. Sometimes people or businesses get into trouble by spending too much money on the things they want. Because we all have a fixed amount of money to spend, if we overspend in one area, we can come up short in another area. (For example, using the rent money for a vacation) Therefore, for our own protection, we should always try to distinguish between a need and a want. Budgets can help us do this.

Let's suppose you receive \$3.00 a week as an allowance. From your \$3.00 you know you will have to use \$2.00 for milk money at lunch. That leaves \$1.00. You might want to spend it all on candy, however, there's a CD you would really like to have. Suppose your parent has agreed to get it for you as long as you contribute \$2.00 of your own money. What should you do?

Since your budget shows you have \$1.00 left over each week for spending, you could save the dollar for two weeks. Then you would have the \$2.00 necessary to buy the CD, but that might mean you couldn't buy candy for two weeks. So instead, perhaps you could save fifty cents each week. You would still have fifty cents with which you could buy candy, but you would have to wait four weeks before you could buy the CD.

Why Make a Budget?

Now, you might ask, "What's the point of making a budget and saving if I have to wait a whole month before I can get what I want? Why shouldn't I just give my parents the \$2.00 immediately for the CD from my weekly allowance?" You could do that, however, where would the money you know you need every week for basic expenses come from (remember your lunch money)?

At some point you will need to make a choice. Had you not prepared a budget, you probably wouldn't have been aware of your lunch money expenses. You also might find yourself halfway through the week with no money left to spend.

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By making a budget, you will be able to decide where your money should be spent for maximum reward. While that means you may need to wait a little longer for something you really want, it also means you will still be able to enjoy more of the activities you're accustomed to (like buying an ice cream after school).

As Neale Godfrey says in *The Kids' Money Book*, "Managing money can be very simple once you understand that what you have to spend is all you have to spend."

Suggested Activities:

Creative Arts

- Separate into groups of two. Each team has \$75.00 dollars to spend in planning a birthday party. Considering the number of people to attend, what does the party need (i.e. cake, candles, birthday card) versus what extras do they want (i.e. balloons, prizes, presents or picking a special location like a restaurant/amusement area.)
- Play a "financial genie" by giving another student three wishes. The recipient must explain whether or not they are needs or wants.
- Create a mural of a sidewalk in your city that illustrates both wants and needs.

Math

- Make a savings budget for your personal goals. (\$3.00 per month)
- Use the document made on the computer section of this lesson and list your monthly bills. You will also be paying these bills by check and logging them into the check book register.

Language Arts

- Write a "rap" about needs versus things you want.
- Write down what money you have spent over the last week. Was your money spent on needs or wants?
- What would you like to buy and how would you budget to get it?

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- Your favorite aunt sent you some money for your birthday. She said she will double the amount if you can show her that you are reasonable and responsible with your money. Write her a letter detailing your budget.

Social Studies

- On what does government spend money? What are its needs and what are wants?

Science

- How have science and technology changed what we need versus what we want? (i.e. televisions, air conditioners, stereos, microwaves, telephones)

Computer

- Make a list of needs and wants on a computer.
- Create a document on the computer to keep track of your monthly expenses.

Reinforcement Ongoing Activities:

- Have a bank representative visit your school and open up savings accounts for all students who have a parent's or guardian's permission.
- Make a budget of how much you would like to save based on your salary from your chosen career in lesson 5. Can you save from 10% to 25%?

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Suggested Materials/Speakers:

- Invite a member of the State Treasurer's Staff, local State Assembly Member or a local State Senator to speak about how the government budgets its money for your community.
- Invite a local business person to talk about how important it is to have a budget.
- *The Kids' Money Book* by Neale S. Godfrey.

Glossary:

Budget -	A plan which looks at how much money an individual, business, or government has and illustrates how all money should be spent.
Need -	Something necessary for survival.
Saving -	The practice of putting aside a sum of money regularly for future use.
Savings Account -	An agreement between a bank and an individual, where the individual places his or her money with the bank in exchange for the bank's providing safe-keeping and paying the individual interest.
Want -	Something which is desirable but not critical for survival.

Suggested Homework:

- Think of a class project to raise money. Prepare a savings plan and suggest a way to use the money accumulated at the end of the year.
- Ask your parents how they use a budget.

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MONEY USES & CREDIT

Lesson 8 *What Is Credit?*

Introduction:

In an earlier lesson, we explored how budgets can help people manage their money and plan for upcoming or desired expenditures. This lesson studies credit: what it is and how it can be a useful tool to help us obtain things we want.

Objectives:

- To introduce students to the principles of credit
- To point out the possible dangers of spending money we don't have
- To reinforce the need to manage our spending

Lesson Material:

What is credit?

Credit comes from the Latin word "creditus" which means "to trust." Credit entails someone lending you money in good faith that you will repay their loan. The lender will usually charge a fee, commonly referred to as interest, for the use of the money. Many people think of credit as a right. Credit is actually a privilege that must be earned.

People use credit every day. Credit provides another way for us to obtain the things we want without having to carry cash around. By allowing us to pay for the item over a period of time, credit also allows us to buy things we might not be able to afford all at once.

Let's suppose you want to buy a car. You shop around and find a car that you like. The car costs \$1,000 but you only have \$100 saved. The car dealer offers you a proposal: you may drive the car home today if you give the dealer \$100 now. The dealer will lend you the remaining \$900 provided that you agree to pay a certain amount each month until the \$900 is paid in full. The dealer also asks you to pay her an additional \$100 for the use of her money (the \$100 represents the dealer's interest fee). If you agree to the terms the car dealer offers, you could drive the car home today. You have just witnessed credit in action!

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Now, before the car dealer offers you a loan, she will check to see if your “credit history” is good. A credit history is a record of all the credit transactions a person has made. If the record shows that you haven’t made your payments on time, or that you have abused your credit privileges, she may decide you are a poor “credit risk.” In other words, based upon your history, she is not sure whether or not you will pay her the money you owe her. Because of your history, she may decide to not lend you the money. You would then need to pay her \$1,000 immediately or leave without the car.

Where do you go to get credit?

Credit usually is available through two vehicles: a credit card or a loan. Most credit cards are issued by department stores, banks, and other financial service companies. A store may issue customers a credit card to make it easier for them to make purchases in the store. Most stores only honor their own credit card. (In other words you could not use your Sears card at K-Mart.) Some credit cards are accepted at several stores. These credit cards are usually issued by a bank or financial company (examples: Mastercard, VISA, Discover, American Express).

Most credit cards have limits as to how much a person may owe at one time. Most credit cards also have a maximum amount you can charge at one time. In certain cases, a purchase may require another form of credit. Buying a house or a car can cost thousands of dollars. When people need to borrow a significant amount of money, they usually look to a bank for a loan. Types of loans available from a bank will be discussed later.

Checking accounts are another form of credit. Because a check allows us to spend money we don’t have with us, the merchant is counting on our actually having the money for the cost of the item in our checking account. To ensure we always have money to cover the checks we write, it’s essential we keep track of how much money is in our checking account. We also need to record how much each check was written for and to whom it was written. This is called “balancing our checkbook.”

If you write more checks than you have money to cover, some checks will not be paid. This is referred to as “bouncing a check.” If you bounce too many checks, your credit history could suffer. You might also have your account privileges revoked. Therefore, to avoid getting yourself in trouble, always write down what you spend and where (as you do when preparing a budget).

Remember, credit is a privilege that must be used wisely. If you purchase something with a credit card or loan and plan to pay for it over an extended period of time, it’s a good idea to include your credit payments in your weekly budget.

You should also keep in mind that if you use credit to pay for something, over time, the total cost of the item will be more than if you had paid cash. This is because you must pay the credit card company

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or bank interest on the money they advanced you to buy the item. Credit provides people with greater financial flexibility. Without it, most people would not be able to afford to buy their homes, cars, or pay for their children's education. Nonetheless, credit places a tremendous amount of responsibility on the user. Keeping your credit purchases in line with your budget will help you maximize all the advantages credit has to offer.

Suggested Activities:

Creative Arts

- Make a collage of many different cars.
- Role play bargaining with the car salesperson.

Math

- With an interest rate of 5%, 7%, or 15%, how much will a \$1,000 loan cost a year, a month, a week, a day? How much will you have spent once the loan is paid off?

Language Arts

- Write a poem about the first ride in the first car invented. Use words that describe sound and movement.
- When you ask your parents for a small loan, do they take into account your credit history? (i.e. Do you pay them back when you say you will?)

Social Studies

- Why do people say credit is a privilege? How do you "earn" the privilege?

Computer

- Design your dream car on the computer.

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Reinforcement Ongoing Activities:

- Now that we have experience with loan applications, it's time to shop for a car. As a responsible consumer you must study the automotive section of the newspaper, as well as, determine your needs and wants (i.e. single/married, sports car/truck, air conditioning/no air conditioning, new/used).

Suggested Materials/Speakers:

- *Banking* by Nancy Dunnan
- *The Story of Money* by Betsy Maestro
- *The Great Economists Roster* - Federal Reserve Bank of San Francisco - (415) 974-3233

Glossary:

Credit -	Money which is loaned, most often for a fee, and must be paid back.
Credit Card -	A card which allows the holder to purchase an item or service today but pay for it tomorrow.
Credit Limit -	Maximum amount one may charge at one time on a card or at a store.
Check Register-	Book in which to record the amount of all checks written and to whom they were given.
Balance A Checkbook -	A checkbook is "balanced" when the amount of money in the checking account agrees with the bank's records.

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Bouncing a Check-

Writing a check against an account for more money than is currently in the account and the bank returns it to the place where it was cashed.

Interest -

The fee for borrowing money.

Suggested Homework:

- Bring in a newspaper automotive section to study new and used cars and the varying costs.

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BANKS

Lesson 9 *Services Banks* *Offer*

Introduction:

Lesson 9 examines the major services banks offer.

Objective:

- To familiarize students with the variety of services banks offer
- To expand on the budget model through the addition of common long-term financial commitments

Lesson Material:

Let's suppose you're earning a fixed income. You've made a budget, you've determined what your basic routine expenses are, you've established how much money you wish to save monthly and you've made a list of a few things for which you'd like to save. You need a safe place to keep your money where you have easy access to it if you need it. You decide to talk to the local bank to see what services it can offer you.

Automatic Tellers

People use banks for a variety of purposes. For those who need a safe place to keep their money, banks offer an ideal home. As discussed earlier, banks offer savings accounts and checking accounts. To make it even easier for people to have access to their money, most banks now offer a special card which can be inserted into a machine and used to make deposits or withdrawals from your savings or checking accounts. These machines are called automatic teller machines because they perform many of the same duties a teller in a bank performs. Automatic Teller Machines (ATMs for short) are very convenient. With an ATM card, you can get bank services 24 hours a day.

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Loans

A bank's primary function is to make loans. A bank may issue many different kinds of loans. Some of the more common loans include: home loans (generally referred to as a mortgage loan), auto loans, business or commercial loans, loans for school tuition or student loans, and personal loans.

When looking for a loan, most people call several different banks to see what interest rate each bank is charging for a loan. Remember, banks make a profit by lending people money for a fee. Many times interest rates may differ, so it's wise to shop around first.

Banks serve many types of customers. They serve families, individuals, small and large companies, even the government. A family's financial needs may differ from what a large company would need. To respond better to a particular group's needs, a bank may specialize in one or more areas. In fact there is even a bank in Denver, Colorado whose only customers are kids! Knowing what area a bank specializes in can help you find the best bank for your needs.

Suggested Activities:

Creative Arts

- Draw an advertisement for a bank showing the services they offer.
- Draw a comic strip showing the advantages and possible disadvantages of having an ATM account.
- Act out an advertisement for the bank. If you have video equipment it would be fun to video tape your performance.

Math

- Plug in varying interest rates and figure out the cost for the different rates on different size loans. For example, \$100 borrowed for one year at 5%, 6% or 7% interest.

Language Arts

- Write a script for above advertisement.
- Ask your bank representative to provide you with literature from the bank showing some of their most basic products. Develop your own brochure for a new bank.

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- Discuss what kinds of bank services you feel you might need now and what services you may need in the future.
- Write a mock letter to a bank explaining that you want a loan, why you want it, and how you will pay it back.
- Practice filling out a loan application.

Social Studies

- How does a family's financial needs differ from a company's financial needs?
- Research different interest rates from different banks. How do they differ and why?

Science

- What do you think ATMs will be able to do in the future?

Reinforcement Ongoing Activities:

- You have now decided to go back to school or do home repairs. You must apply for the loan by filing out all the necessary paper work. Based on your salary the bank will decide if you can afford the loan and what payment schedule to put you on.

Suggested Materials/Speakers:

- *The Story of Money* by Betsy Maestro
- *Banking* by Nancy Dunnan

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Glossary:

ATM -	Automatic Teller Machine - Allows a person to make a deposit or withdrawal from their account without having to go to the bank.
ATM Card -	A magnetic card used in an ATM machine to make transactions.
Auto Loan -	A loan which is issued for the purpose of buying a car.
Commercial Loan -	A loan made to a business for the purpose of buying a business or making improvements to an existing one.
Mortgage Loan -	A loan which is issued to buy a house.
Student Loan -	A loan made to a student for payment of tuition or cost of living expenses while in school.

Suggested Homework:

- Look at ATM locations in your neighborhood. Write a brief description of what an ATM looks like. What keys are on the units? Why was the location selected?
- Bring in a bank advertisement to show how banks advertise their services.

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BANKS

Lesson 10 Different Types of Financial Institutions

Introduction:

This lesson discusses the differences between banks and financial service organizations.

Objectives:

- To familiarize students with the variety of institutions
- To explain the similarities and differences between those institutions

Lesson Material:

As we discussed in lesson 3, banks serve a wide range of customers. A very large bank might have a division which just does business (or commercial) lending. Other banks may specialize in mortgages.

In addition to banks, there are other organizations that offer similar financial services. Let's take a look at the different types of banks and financial institutions in the marketplace today.

Commercial banks work with both individuals and businesses. Commercial banks offer many products: savings and checking accounts; mortgage, business and student loans; and often provide investment advice to their customers. Certain banks specialize in business customers only. These banks are sometimes referred to as *wholesale banks*.

Savings Banks are financial institutions which specialize in mortgage or home loans. They generally offer the same kinds of savings and checking accounts as a commercial bank offers.

Credit Unions are financial organizations where all the customers share a common affiliation. Perhaps they all work for the same company, go to the same church, or live in the same neighborhood. Unlike commercial banks or savings banks, credit unions are run and managed by their customers. Depending on the size of the credit union, they may offer their members many of the

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services available at commercial and savings banks such as checking accounts, mortgage loans, ATM cards, or credit cards.

Currency Exchanges (or check cashing stores) differ from commercial banks, savings banks and credit unions. The primary difference between a currency exchange and the other financial organizations is currency exchanges do not accept deposits or make loans.

Many people use currency exchanges to cash government checks or obtain money orders. A company or individual might request a debt be paid by money order if they are uncertain of a person's credit worthiness or the bill needs to be paid by mail. For this reason, their services may be very expensive.

Currency exchanges earn a profit by charging a fee for most of their services. Because the fees currency exchanges charge for financial services are generally much higher than comparable services at a commercial bank, or credit union, they are a more expensive option. Currency exchanges are often located in areas where there are no other financial institutions. For people living in those neighborhoods, currency exchanges may provide their only access to various financial services.

Suggested Activities:

Creative Arts

- Design a credit card for kids. What would you call it? What would it look like?

Math

- Suggest each student start a business. This can be anything; shoveling snow, watering lawns, pairing up with a neighboring classmate to run errands for an elderly neighbor, or saving cans for the five cents return.
- Figure out a 15% tip card for eating in restaurants.

Language Arts

- Use the Yellow Pages and look up the various financial institutions mentioned above. Notice how many institutions there are in your city or town.
- Discuss reasons why financial institutions may want or may not want to specialize in a specific area or market. (Example: commercial lending or mortgages.) What advantages are there to the institution and to the customers?
- Start a discussion on where and how credit cards are used. (Teachers if you have a credit card you could show them what it looks like, or ask them to look at a parent's credit card).
- Talk about the advantages of credit - how it makes it easier for us to pay for things we want.

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- Discuss how credit expenses fit in a budget. Are these expenses which need to be planned for?
- Explain how spending more than we have might get us into financial trouble. How can we avoid overspending?

Social Studies

- Research to compare where interest rates have been over the last 20 years. Research how your local school store is run. What is the store's budget, how much profit does it make and where does that profit go?
- What are the advantages of paying by cash versus credit cards?

Science

- What are credit cards made of? Why do some credit cards have their owners pictures on them?

Computers

- Graph the twenty year rise and fall of interest rates.
- Design your own catalogue. What would you sell? How would you lay it out?
- Design your own student credit card on the computer.

Reinforcement Ongoing Activities:

- Apply for a credit card at a financial institution. With this credit card you will choose where you would like to take a friend to dinner. Place an order through a catalogue (don't forget the 15% tip on the dinner check or the 5% tax on any catalogue purchase other than food or clothing). Teacher, you will want to have menus from different restaurants and catalogues from different stores depending on the salary and budget of the students.

Suggested Materials/Speakers:

- Have a representative come from a local financial institution to discuss what their function is.

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Glossary:

Commercial Bank-

Allows people to deposit money safely in accounts backed by the FDIC. Banks loan money to individuals and businesses. Depositors earn interest and borrowers pay interest, with the bank making its profit on the difference between the interest it pays for deposits and receives from borrowers. Savers and borrowers are brought together in a bank.

Credit Union -

Money deposited is usually loaned only to members. Membership usually consists of people in a given job, trade, industry or other affinity group.

Currency Exchange or Check Cashing Stores-

Cashes checks for a fee (generally a percentage of the check). Does not accept deposits or make loans. Customers can carry large amounts of cash on which they do not earn interest.

Mortgage -

A loan secured by property. Typically, a home loan in which the lending institution holds title to the home until the loan is paid.

Savings Bank -

An institution which originated with homeowners pooling their money to make housing loans. A savings bank accepts deposits and specializes mostly in home mortgages and other personal loans.

Suggested Homework:

- Research the number of financial institutions in your community.
- Ask your parents which institutions they are familiar with and use.
- Identify and list 6-10 different kinds of credit cards (i.e. names of bank cards, department store cards, gas station cards, etc.). Call a bank to research current interest rates for credit cards and for buying a house and a car. Discuss how interest charges increase the cost of a purchase.

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TAXES

Lesson 11 Various Forms of Taxation & Their Uses

Introduction:

Taxes are used to supply money to the government. The government uses this money to carry out its basic functions.

Objectives:

- Where does tax money go? Who does it affect? How does it affect people?
- To explain why we pay taxes
- To describe different types of taxes:
 - ◆ income tax
 - ◆ sales tax
 - ◆ property tax

Lesson Material:

The government provides a wide variety of services to its citizens. The postal service, the armed services (the Army, Navy, Air Force, and Marines), and public schools are just a few examples. These services would be too expensive for many businesses to provide.

The government provides thousands of services and they all cost money. People who work for the federal, state, and local government have to be paid. Fuel to run police cars and snowplows to clear roads are examples of products the government purchases.

Are you wondering where this money comes from? The money comes from taxes. In order for government to provide these services, citizens must pay taxes.

For example, let's say "Family A" earns \$30,000 a year and "Family B" earns \$50,000 a year. Who do you think is required to pay more taxes? Why?

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One of the most common taxes is the **income tax**. Income is money that is earned. Money can be earned by receiving a salary or through interest and investments. People are taxed on their income according to how much they earn. At the end of the year citizens are required to file a tax return to determine the amount of tax they must pay the government.

Another type of tax you may be familiar with is the **sales tax**. The sales tax is placed on goods that are purchased by the public. For example, have you ever bought something such as a Nintendo game and wondered why the price tag said \$20.00, but when you got to the cash register the salesperson asked for \$21.00? The extra dollar is sales tax, which is 5% in the state of Massachusetts.

You may wonder what happens to that extra money. Among other things it helps the government pay for essential services such as roads, schools, bridges, police, fire protection, etc.

Other types of taxes include real estate taxes. They help to support the public school system, police and fire protection, water, roads, and sewers.

Suggested Activities:

Creative Arts

- Make several kinds of graphs showing what taxes are used for and what percentage or fraction is committed to that use.

Math

- Work out percentages or fractions for the project above.

Language Arts

- Write a story about "Taxpayer" and his neighbor "Bah - I won't pay!".
- Write a letter to the editor from the mayor explaining which taxes need to be raised and why.
- Discuss why paying taxes is important.

Social Studies

- Research the phrase "taxation without representation." What does it mean?
- List the different types of taxes people pay and what services are provided by those taxes. Use your research in providing information for the math and creative arts activities above.
- Do all states have the same taxes?

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Science

- What kinds of science programs receive tax money? (i.e. NASA, Medical Research, Department of Defense)

Computer

- Develop graphs for creative arts activity.

Reinforcement Ongoing Activities:

- Based on your salary from your chosen career in Lesson 3, how much will you have to pay in taxes, and how will it affect your budget for the year? Fill out a tax return.

Suggested Materials/Speakers:

- Invite a member of the State Treasurer's Staff, local State Assembly Member or a local State Senator to be a guest speaker.
- Your mayor could also provide information.

Glossary:

Tax - Money that citizens pay in order for the government to provide essential services.

Income - Money that people earn.

Suggested Homework:

- Bring in a newspaper or magazine article that mentions taxes.
- Interview family members to see what taxes they pay. Are there taxes they feel are too high?
- Review stubs from payroll check.

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REVIEW & COMMENTS

Lesson 12
Review

Introduction:

This last lesson consists of a group project to act as a review of lessons 1 to 11. This provides the class an opportunity to put to use all of the principles discussed throughout this curriculum.

Objectives:

- To review the topics discussed
- To put into use the principles learned through an in-class exercise

Suggested Activity:

A Group Project

Have the class write a script for a play, a music video, or a public service announcement. The idea is to incorporate as many aspects of this curriculum as possible in a fun and creative final exhibition. This project could be performed for the whole school.

CREDITS

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